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C O N F I D E N T I A L LA PAZ 000432

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [BL](#)

SUBJECT: MOD: THE GOOD, THE BAD, THE MISUNDERSTANDINGS

REF: A. LA PAZ 428

[1](#)B. LA PAZ 218

Classified By: Acting EcoPol Chief Joe Relk for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: Defense Minister Walker San Miguel told the Ambassador February 26 that the Bolivian government has a new sense of urgency to conclude an anti-narcotics agreement with the USG. San Miguel and the Ambassador agreed to a high-level March 3 meeting to discuss a potential agreement to reduce net production of coca, alternative development, and potential changes in Bolivian laws. San Miguel said the military's decision to boycott WHINSEC is lamentable, despite public statements to the contrary. (Note: The Bolivian Government Minister announced police would join the WHINSEC boycott February 25. End Note.) San Miguel said he and/or Vice Minister Wilfredo Vargas would approach President Morales about reversing the WHINSEC decision and to expedite an exchange of dipnotes that acts as a Status of Forces Agreement for temporarily assigned U.S. military personnel in Bolivia. The dipnote is ostensibly stuck at the Foreign Ministry because of the perceived implication that President Morales was characterized as a narco-terrorist in a SouthCom presentation. The Ambassador explained there is no substance to this perception, which is based on the presentation of a photo of Morales with the Iranian President, nor is there any substance to the government's accusations of a U.S. conspiracy based on other public photographs. The Ambassador also criticized the Bolivian government's heavy use of the media in place of diplomatic channels. Although San Miguel and Vargas were enthusiastic about spurring bilateral relations, only time will tell if their overtures are genuine or convincing to Evo's inner circle. End Summary.

MOD Asserts New Urgency for Anti-Narcotics Cooperation

[1](#)2. (C) The Ambassador met with Defense Minister Walker San Miguel February 26 at the Defense Minister's request. Vice Minister Gen. Wilfredo Vargas, Military Group Commander, and Poloff also attended. San Miguel started the meeting by explaining the difficulties the Bolivian government faces in combating illegal narcotics, stressing eradication goals in the Yungas region will be hard to achieve. San Miguel said a

there is a new government urgency to conclude a comprehensive counter-narcotics assistance agreement with the United States. "We want an alliance with the United States for zero narcotics." Vice Minister Vargas said the Bolivian government believes "eradication is the best form of control," adding he hoped the USG could resume providing satellite photos to aid eradication efforts, a practice he claimed was suspended in 2007.

¶3. (C) The Ambassador said that an agreement to reduce net production of coca, particularly in the Yungas, would be welcome. The Ambassador said he last discussed the subject at a summer 2007 meeting with Bolivian President Evo Morales, but that the subject had not been raised with the Ambassador since then, although working-level discussion had continued. The Ambassador added the Embassy was keenly interested in making progress on reducing coca in light of increasing production over the last two years and that it would be important to make progress on reduction and counter-narcotics laws before summer to improve Bolivia's certification prospects.

¶4. (C) The Defense Minister proposed a meeting of relevant Embassy officials with ministers and vice-ministers in the ministries of defense, rural development, and government (responsible for police). San Miguel said the meeting should include discussion of alternative development and changes to drug and money laundering laws. The Ambassador agreed and a tentative meeting was set for March 3.

#### WHINSEC Boycott: Special Case, Reversible

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¶5. (C) Both San Miguel and Vargas expressed their disagreement with the decision to suspend Bolivian military participation in WHINSEC (Western Hemisphere Institute for Security Cooperation) and said they would talk to Army Commander Luis Trigo and President Morales to advocate lifting the ban. "Do not worry about WHINSEC ... we just need a little space," said Vargas, indicating the ban would be temporary. Although he did not share their opinions, San Miguel said WHINSEC's negative reputation in the minds of some NGOs and political groups, "including even from the U.S.," made it a "special case." He explained the WHINSEC decision was an exception which would not lead to additional U.S. training boycotts.

#### Bilat Relations By Press; Public/Private Statements Clash

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¶6. (C) The Ambassador used the WHINSEC discussion to make a point about using the press in place of diplomatic channels, citing Government Minister Alfredo Rada's February 25 announcement that police would also no longer attend WHINSEC.

(Note: Although the Ambassador did not call him out by name, San Miguel stood by Rada at the same press conference and explained "no officials will be sent to this academy (WHINSEC) in 2008" because Bolivia wishes to have its own security and defense doctrine "in accordance with the countries of Latin America." "We have our own vision of security and defense," said San Miguel, adding there "are other military schools in the region." End Note.) The Ambassador noted that he would never dispute the Bolivian government's right to boycott WHINSEC or reject any other U.S. assistance, but said it was poor diplomatic form to announce such decision through the media. The Ambassador noted he had to learn "from the papers" about all of the Bolivian government's denouncements of the USG. The Ambassador added that although he appreciated Vargas' attempt to change minds concerning WHINSEC, "at the end of the day you decide, and if that's your decision, that's your decision. But this manner of communication through the media is not appropriate."

#### Dipnote SOFA: Averting Death by PowerPoint

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¶7. (C) San Miguel said the delay with the exchange of dipnotes (acting as yearly renewal of a Status of Forces

Agreement) could not be blamed on the media, rather on Admiral Stavridis' January 17 presentation to CSIS, which included a slide with a photograph of Morales with Iranian President Ahmadinejad. (Note: The Bolivian government has alleged the photo implies Evo is a narco-terrorist a charge we have refuted repeatedly. Reftel b. End Note.) The Ambassador explained the PowerPoint slide in question used the photo only to illustrate Iran's interest in the Latin America, there was no intent or mention to suggest Morales was a narco-terrorist nor was there any mention whatsoever of Morales or Bolivia. The Ambassador invited San Miguel and Vargas to view the presentation themselves, which is publicly available on the Internet. The Ambassador regretted any misunderstanding, but proposed that this misunderstanding was now blocking military assistance, including urgently needed military medical teams from participating in flood relief. San Miguel and Vargas said they understand both our explanation and the need to expedite the dipnote exchange. San Miguel did add, however, that Admiral Stavridis could have used a photo of Ahmadinejad with 10 other Latin American leaders and avoided the controversy altogether. Vargas stated that he knows Admiral Stavridis and understands the admiral would not make this type of allegation.

Ambassador: Stop Photo Obsession  
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18. (C) Lastly, the Ambassador said the Bolivian government needs some perspective in its use of photographic evidence, citing the latest "scandal" involving a photo of a public meeting between the Embassy and an indigenous group (reftel a). The Ambassador asserted the right of any diplomatic mission to meet with leaders of the opposition in host countries and this latest example was not "proof" of conspiracy, but rather proof that some government leaders want to think the worst about the USG and are trying exploit even the smallest opportunity to publicly impugn the Embassy. The Ambassador said the constant barrage of Bolivian government accusations of U.S. conspiracy were unprecedented in our relations.

Vargas to the Rescue?  
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19. (C) Following the meeting, Vice Minister Vargas met separately with MILGP Commander and Poloff. Vargas said he would personally talk to President Morales "soon" about rescinding the military ban on WHINSEC and expediting a positive response to our stalled exchange of dipnotes. He confided Presidency Minister (Chief of Staff) Juan Ramon Quintana was behind resistance to WHINSEC participation and the dipnote exchange. In light of the recent slew of positive stories regarding WHINSEC, Vargas commented that he attended WHINSEC when it was the School of the Americas, as had many GOB officials (Note: Including Quintana. End Note.), and there "was nothing wrong with it then, either."

110. (C) On the dipnote exchange, Vargas said he would try to "put this in order," but did not provide an estimate on how long that would take. Vargas said last year the MFA felt rushed to approve the dipnote when they received a copy of the dipnote "very late." Although he placed the blame for this with the MFA, he said this year the MFA would examine the dipnote thoroughly, as "we did not do this right last year." Nevertheless, Vargas said he expected no changes to the dipnote's text, once approved. Vargas advised us to approach the MOD first with bootleg versions of agreements, including the forthcoming 505 agreement, before officially presenting them to the MFA so he could "prepare things" at the MFA for a positive response. Vargas also said he would approach the Foreign Ministry "today" concerning its refusal last week to approve a dipnote for a Bolivian Senate staffer to attend a MILGP-sponsored defense policy course in Washington DC. He postulated the denial was a mistake by a lower-ranking MFA official, not a sign of a change in policy, which he assured emboffs he would have known about.

Comment

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¶11. (C) San Miguel's supportive statements about WHINSEC and affirmative head nodding during the Ambassador's criticism about using the media to announce bilateral policy fell flat considering his public statements about WHINSEC the day before. Still, San Miguel and Vargas seemed relaxed and accommodating, perhaps because they understand the value of the assistance at stake, and we believe they will try to talk Evo out of a long-term WHINSEC boycott and into a dipnote SOFA. Vargas has an amiable relationship with Morales and has followed through on similar promises to MILGP commander in the past. Still, only time will tell if San Miguel and Vargas follow through on promises to unstick military assistance/training issues and push for a comprehensive agreement on net reduction of coca.

¶12. (C) Perhaps they will also relay our thoughts on the GOB's current round of public attacks, flagrant disregard for the use of diplomatic channels, and perplexing infatuation with photographic images. Although San Miguel and Vargas seemed to follow our explanation of Admiral Stavridis' use of Morales/Ahmadinejad photo, others in Morales' inner circle seem to be unaware of our repeated explanations, media accounts, and the presentation itself. The only pictures that Evo's inner circle seem to favor are those that they can manipulate for bashing the Embassy. End Comment.  
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